

**TOWN OF FOUNTAIN HILLS
MINUTES OF THE EXECUTIVE, SPECIAL AND REGULAR SESSIONS OF THE
FOUNTAIN HILLS TOWN COUNCIL
June 18, 2009**

• **CALL TO ORDER**

Mayor Schlum called the Executive Session to order at 5:33 p.m. in the 2nd floor Fountain Conference Room.

AGENDA ITEM #1 – ROLL CALL AND VOTE TO GO INTO EXECUTIVE SESSION.

Present for roll call were the following members of the Fountain Hills Town Council: Mayor Schlum, Councilmember Contino, Councilmember Leger, Councilmember Brown, and Vice Mayor Archambault. Town Attorney Andrew McGuire, Deputy Town Manager Julie Ghatti, and Recording Secretary Shaunna Williams were also present.

Councilmember Dickey was absent.

VOTE TO GO INTO EXECUTIVE SESSION: (i) PURSUANT TO A.R.S. §38-431.03(A)(1), FOR DISCUSSION OR CONSIDERATION OF EMPLOYMENT, ASSIGNMENT, APPOINTMENT, PROMOTION, DEMOTION, DISMISSAL, SALARIES, DISCIPLINE OR RESIGNATION OF A PUBLIC OFFICER, APPOINTEE OR EMPLOYEE OF ANY PUBLIC BODY (SPECIFICALLY, (A) REVIEWING APPLICATIONS RECEIVED FOR POSSIBLE SERVICE ON THE PLANNING AND ZONING COMMISSION AND (B) REVIEWING THE TOWN MANAGER'S WORK PLAN); AND (ii) PURSUANT TO A.R.S. §38-431.03(A)(4), DISCUSSION OR CONSULTATION WITH THE ATTORNEYS OF THE PUBLIC BODY IN ORDER TO CONSIDER ITS POSITION AND INSTRUCT ITS ATTORNEYS REGARDING THE PUBLIC BODY'S POSITION REGARDING CONTRACTS THAT ARE THE SUBJECT OF NEGOTIATIONS, IN PENDING OR CONTEMPLATED LITIGATION OR IN SETTLEMENT DISCUSSIONS CONDUCTED IN ORDER TO AVOID OR RESOLVE LITIGATION. (SPECIFICALLY, THE FIREROCK TAX LITIGATION).

Vice Mayor Archambault **MOVED** to enter into Executive Session and Councilmember Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** by those present (6-0).

Councilmember Hansen entered the meeting at 6:05 p.m.

The Mayor adjourned the Executive Session at 6:15 p.m. without objection.

SPECIAL SESSION AGENDA

* **CALL SPECIAL SESSION TO ORDER AND PLEDGE OF ALLEGIANCE**

Mayor Schlum called the meeting to order at 6:30 p.m. in the Fountain Hills Council Chambers.

* **INVOCATION** - Pastor Tom Daly, Trinity Lutheran Church

* **ROLL CALL**

Present for roll call were the following members of the Fountain Hills Town Council: Mayor Schlum, Councilmember Contino, Councilmember Leger, Councilmember Hansen, Councilmember Brown, Vice Mayor Archambault and Councilmember Dickey. Deputy Town Manager Julie Ghatti, Town Attorney Andrew McGuire and Town Clerk Bev Bender were also present.

* **MAYOR'S REPORT**

(i) Recognition of Dennis Brown for his service to the Town of Fountain Hills as a former member and Chairman of the Planning and Zoning Commission.

Mayor Schlum announced that the newest Councilmember, Dennis Brown, was recently appointed to that position and had vacated his seat as Chairman of the Planning and Zoning Commission where he had served for a number of years. Mayor Schlum thanked former Chairman and current Councilmember Brown for his past and continuing service to the Town and presented him with a plaque in recognition of his service on the Commission.

(ii) The Mayor will read a proclamation in recognition of Reserve MCSO Deputy Jeselun's service.

Mayor Schlum read a proclamation in recognition of Reserve MCSO Deputy Jeselun's service to the Town of Fountain Hills. The Mayor stated that Jim Jeselun had been a resident of the Town since June 1996 and had worked with MCSO since 1997 and provided a brief overview of his background and extensive service. He said that following retirement, Deputy Jeselun now volunteered his time serving as a Reserve Deputy for MCSO and had been credited with the recent capture of a serial bank robber who was suspected of at least five bank robberies in the east valley. The Mayor added that the Town recognizes his dedicated service, commended Reserve Deputy Jeselun for protecting and serving the residents of the Town and proclaimed the Town's appreciation for his extraordinary commitment to law enforcement. Mayor Schlum presented Deputy Jeselun with a copy of the Proclamation.

(iii) The Mayor will read a proclamation supporting the Maricopa County "Clean Air Make More" campaign.

Mayor Schlum read a proclamation supporting the Maricopa County "Clean Air Make More" campaign and stated that the residents of the Town, within Maricopa County, felt the effects of poor air quality as particulate matter in the air was so small it could pass through the throat and nose, enter the lungs and the bloodstream. He said that high levels of particulate matter in the air especially impacted children, the elderly and people with heart disease, lung disease, and asthma. He noted that the particulate matter caused environmental damage and added that under the Federal Clean Air Act, Maricopa County faced Federal sanctions and the loss of more than \$7 billion in transportation project funding unless appropriate actions were taken to clean the air. He further stated that the Maricopa County Board of Supervisors had embarked on an effort to inform community and business leaders, as well as the general public, of the serious challenge before us to stop being part of the problem and start becoming part of the solution. Mayor Schlum proclaimed the Town's support for the Maricopa County "Clean Air Make More" campaign and urged all residents to make the Clean Air Commitment by visiting ClearAirMakeMore.com and signing up to take action through simple changes in their everyday lives to protect and enhance the air quality in Maricopa County.

* **SCHEDULED PUBLIC APPEARANCES**

(i) Presentation by Fred Stephenson, Stantec Infrastructure Management, regarding pavement management analysis.

Public Works Director Tom Ward addressed the Council and thanked the Council for the opportunity to update them on this issue. He said that staff gave this report two years ago and that it was something that they performed every other year. He introduced Mr. Stephenson who provided a brief presentation on this agenda item. .

Mr. Stephenson noted that the objective was to determine overall performance of the Town's pavement network and provide recommended strategies to improve the Town's streets. He discussed the asset management approach taken; pavement network database statistics; pavement replacement value; pavement quality

index/results; maintenance and rehabilitation alternatives and current reinvestment needs (by year). Mr. Stephenson indicated his willingness to respond to questions from the Council. Mayor Schlum thanked Mr. Stephenson for his presentation.

In response to a question from Councilmember Leger, Mr. Stephenson advised that almost all of Saguaro Boulevard required reconstruction. Councilmember Leger said that it was his understanding that they were looking at mill and overlay for Saguaro Boulevard versus reconstruction (just sections of reconstruction along Saguaro).

Mr. Ward replied that there were sections that would require reconstruction such as the area down around the golf course. He added that they had inspected all of Saguaro Boulevard but would get into more detail and conduct more research once the Council decided whether they were going to move forward with the bond.

Councilmember Leger asked what would happen if they did not do anything for a period of one, two or three years and Mr. Stephenson replied that the roads that were at 40 or 41 Pavement Quality Index (PQI) were quickly deteriorating and emphasized the seriousness of this matter. Mr. Ward stated that if the Town was to go through another wet winter it was very possible that what they saw out there now could become even worse. He added that if the road was a 40 now and they let it go, that could go down to a 30 over a one-year period of time. He noted that to some degree the PQI was a subjective score that was based on real data from their surveys but the difference between a 39 and a 41 was not all that significant.

Vice Mayor Archambault advised that he was looking at the 2008 figure being \$5.7 and \$1.2 (almost \$1.3) and asked if that was all Saguaro Boulevard.

Mr. Stephenson replied that it was not and Mr. Ward stated that it was very subjective but they did have some heavy areas on Saguaro that were less than 40 PQI (red areas on the map displayed).

The Vice Mayor asked if they had some specific needs that would arise during the next budget year (2010-2011). He noted that they were talking about going out with a bond issue for Saguaro Boulevard and he wondered if they were going to be looking at bond issues in 2010-2011 to take care of some of these streets.

Mr. Ward advised that the zone staff was looking at for the next fiscal year did not indicate any mill and overlay; it was all strictly type two slurry seal. He added that there was only one small section on Cholla and that was not in the zone they were working in

Councilmember Contino asked if they had talked about capping what they were doing (was there extra money they could put in the bond to take care of a couple of other streets like Avenue of the Fountains?).

Mr. Ward stated that they had talked about (if they had a \$4.5 million bond) how far could they go. He explained that it depended upon the pricing they receive and pointed out that it was very difficult during these volatile times because contractors would not give out prices beyond 30 days. He said that staff was looking at trying to do a calculation based on what they knew today and added that they would have to look at Avenue of the Fountains. He noted that they were looking at sections of Palisades and some portions at the north end of Fountain Hills Boulevard. He said they could certainly look at Avenue of the Fountains as well.

Mayor Schlum thanked Mr. Stephenson and Mr. Ward for their input.

SPECIAL SESSION

AGENDA ITEM #1 = PUBLIC HEARING REGARDING RESOLUTION 2009-17, ADOPTING THE TENTATIVE BUDGET AS THE FINAL BUDGET FOR THE 2009-10 FISCAL YEAR BUDGET FOR THE TOWN OF FOUNTAIN HILLS.

Mayor Schlum declared the public hearing open at 6:53 p.m.

Deputy Town Manager Julie Ghetti advised that staff was present to respond to any questions from the Council.

Town Clerk Bev Bender advised that there were no citizens wishing to speak on this agenda item.

Mayor Schlum noted that the Town had received good input and dialogue from the public as well as staff and the Council. He asked whether any members of the Council would like to speak on this item.

Councilmember Leger stated that the last time they discussed the budget one of the recommendations was to move a capital project out, #S6046 - \$100,000 for the sidewalks on Fountain Hills Boulevard between Crystal Point and Shea. He asked whether that adjustment had been made.

Ms. Martin advised that staff did make that adjustment and the appropriations limitation that was set a couple of sessions ago included that decreased amount.

Councilmember Hansen stated that after going through the entire budget process, she had made some observations. She said that back when they were finalizing the Council's goals they had talked about looking at the Town's legal services and whether to continue contracting or look into going in-house. She added that they had budgeted \$200,000 for legal services and wanted to ask Ms. Ghetti if she felt that was an appropriate number to cover whichever way they decided to go.

Ms. Ghetti replied that she believed the amount to be sufficient and noted that staff had been reviewing the process for how the Town incurred legal costs in an effort to reduce the costs and amount of time required for legal services.

Councilmember Hansen said that it might be helpful to the citizens who review the Town's budget document to be made aware of the number of changes that were made to this year's budget due to the conversion to the program-based budgeting that had presented some challenges to the readers, including staff. She advised that one of the things that troubled her was the separation of costs associated with a single project (an example would be the Strategic Planning Update). She stated that she knew the Council had approved \$20,000 for this item but only found \$14,500 under Meetings and Conferences. She said that she thought that amount had been reduced and then she found the remaining \$5,000 under Printing and that made it difficult for her to put a finger on the actual cost. She stated that another example was election costs - \$78,314 that appeared under Community Service Contracts and \$8,000 appeared under Printing. She expressed concerns regarding making it more difficult to decipher the budget rather than improving their transparency. She advised that this problem was alleviated yesterday when she met with Ms. Ghetti and saw the copious amount of detail available for all of the costs associated with projects, services and functions.

Councilmember Hansen expressed the opinion that the challenge going forward was how to present all of that information in a manner that would be really clear and forthright to all of the laymen. She added that in talking with Ms. Ghetti another idea they came up with was fine tuning the line item sheets by adding separate line item sheets for the major functions within the larger departments. She stated for example that there were so many functions under the Admin budget and when all of the sub-departments were combined into one line item sheet it was really overwhelming and appeared huge. She said that a separate breakout of line item sheets would really be helpful. She further stated that some of the reclassifications made it harder to find the expenditures, such as in the Parks & Recreation budget (on the line item page Mowing and Landscaping went away and it became Contractual Services). She said it might help if they added some language in the future delineating what was included in Contractual Services.

Councilmember Hansen commended the staff on their efforts to meet and address the challenges that were presented. She said that they knew all of the information was there and now it was just a matter of how they move forward to present it. She stated that she did not want to present any changes before they voted on this but

there were a couple of things she would like to put out there so they could be thought about as they moved forward during the year (things to keep in mind). She said they might consider not spending any funds at all on "one-on-one's"; not spending any money on the website at all and instead form a staff committee containing maybe one or two Councilmembers to discuss a new user friendly format and determine how they could go forward to really improve the website; reduce the four AveNEWS mailings to the first two quarters (that would be long enough to prepare people for the switch to electronic transmittals with hard copies available in the kiosks); really watch the money in the Economic Development budget, which was pretty significant with all of the marketing, and keep that consistent with the economy and try to keep the Census costs at a minimum.

Mayor Schlum thanked Councilmember Hansen for her comments and said that the Council could talk about those particular items. He added that they were all challenged because of the conversion and trying to "draw the dollars" to each dollar amount as they were broken out, which was quite different than they had been in the past. He said that moving forward they would be able to see trending and items more clearly than they were this year. He asked if there were any comments relative to the presentation to the layman comment that Councilmember Hansen made that was a good one - how to actually understand what was within each of the elements that were now laid out in the budget today.

Ms. Ghetti stated that she very much appreciated Councilmember Hansen's comments as well as those of the Councilmembers and said it was very challenging to try to go from the old line item budgeting to program budgeting but she believed moving forward in the future the program budgeting would give the average citizen a clear picture. She added that as far as the election, they could now show a program for elections with all of the costs in it and the same with the Strategic Plan. She further stated that next year they would present that information to the public and they would be able to clearly see what the costs of the programs were.

Mayor Schlum asked Ms. Ghetti to speak to why the Town went to program budgeting (benefits, reasoning).

Ms. Ghetti explained that with the new software the Town purchased, staff could now present the budget in line item detail or program detail. She said that the level of detail that they could provide to the citizens was much more transparent and would show the true cost of providing a service. She added the opinion that there were a lot of advantages associated with being able to show the budget both ways. She pointed out that they went "live" with this on March 1st, so staff was still struggling with trying to report in a manner that was easy for people to interpret. She added that she was optimistic for next year.

Councilmember Hansen advised that the reason she brought that up was because she had asked Ms. Ghetti yesterday what the budget would look like this year and she felt it was important to let the public know that while it might be a little confusing this year, the detail was there and staff had all the breakdowns.

In response to a question from the Mayor, Ms. Ghetti advised that next year's budget would look different from this year's and said that staff was going to begin creating a format that was easier to read and much easier to go back and compare to prior year's budgets so that the Council and the public could see exactly where their money was going. She said staff was anticipating a big improvement next year. She added that for example the Strategic Plan was now what they call a Program so if staff presented the budget in a line item detail everyone would see the Plan broken up into all of the different costs for printing, etc. or, alternatively, staff could show it as the Strategic Plan budget -- whatever way was the most clear and the easiest to understand.

Councilmember Hansen commented on the fact that the process was a work in progress and would take time.

Councilmember Contino expressed appreciation to Ms. Ghetti, Ms. Martin and staff on their efforts and advised that Ms. Ghetti was nice enough to say, "Do you want it the old way?" and he had said "no - if we have to learn the new way, let's just learn the new way." He thanked staff for all of their explanations and said that in the end they would have a much clearer picture than they had ever had before.

Mayor Schlum asked whether Councilmember Hansen wanted to discuss the other issues she raised, such as the website and she said she was not planning on making any formal motion; she just wanted to put them out there to keep in mind as the year went forward.

Mayor Nichols thanked everyone for their comments. The Mayor declared the public hearing closed at 7:05 p.m.

AGENDA ITEM #2 - CONSIDERATION OF RESOLUTION 2009-17, ADOPTING THE TENTATIVE BUDGET AS THE FINAL BUDGET FOR THE 2009-2010 FISCAL YEAR BUDGET FOR THE TOWN OF FOUNTAIN HILLS.

Councilmember Hansen **MOVED** to adopt Resolution 2009-17 as presented and Councilmember Contino **SECONDED** the motion.

Ms. Bender advised that there were no citizens wishing to speak on this item.

The motion **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #3 - ADJOURN THE SPECIAL SESSION AND CONVENE THE REGULAR SESSION.

Vice Mayor Archambault **MOVED** to adjourn the Special Session and Councilmember Dickey **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0). The Special Session adjourned at 7:06 p.m.

REGULAR SESSION AGENDA

- **CALL THE REGULAR SESSION TO ORDER**

Mayor Schlum called the meeting to order at 7:07 p.m. in the Town Hall Council Chambers.

* **ROLL CALL** – Present for the Regular Session were the following members of the Fountain Hills Town Council: Mayor Schlum, Councilmember Contino, Councilmember Leger, Councilmember Brown, Councilmember Hansen, Vice Mayor Archambault and Councilmember Dickey. Deputy Town Manager Julie Ghetti, Town Attorney Andrew McGuire and Town Clerk Bev Bender were also present.

- **CALL TO THE PUBLIC**

None.

Mayor Schlum noted that Consent Agenda Item #4 had been removed from the agenda at the request of the applicant. The Mayor added that there were people present who might want to talk about the STS agenda item and requested that Deputy Town Manager Julie Ghetti speak to the audience relative to this item.

Ms. Ghetti advised that Agenda Item #13 related to the Special Transportation Services program (STS) but clarified that it was not actually "the" program. She said that staff became aware of an opportunity to file for a refund from the Regional Public Transportation Authority (RPTA) for funds that the Town had spent on a program for paratransit. However, before the Town could apply for the refund, it had to enter into an Intergovernmental Agreement (IGA) with the RPTA to do that. She explained that the Town had to spend the money first for the program and then they could apply to the RPTA for a refund of approximately \$7,000.

Ms. Ghetti further stated that staff was still working on a program and drafting an agreement with Valley Metro to provide transportation for those citizens who had special needs (whether wheelchair related or non-

ambulatory). She added that at the next meeting on July 2nd, staff would bring forward a contract to start that program on July 1st.

Mayor Schlum noted that this would replace the STS program and thanked Ms. Ghetti for her comments. He added that citizens may present any remarks they wished under Item #13 and/or at the July 2nd meeting.

CONSENT AGENDA

AGENDA ITEM #1 - CONSIDERATION OF APPROVING THE TOWN COUNCIL MEETING MINUTES FROM MAY 21, MAY 17 AND JUNE 4, 2009.

AGENDA ITEM #2 - CONSIDERATION FOR APPROVING RESOLUTION 2009-19, ABANDONING WHATEVER RIGHT, TITLE, OR INTEREST THE TOWN HAS IN THE CERTAIN PUBLIC UTILITY AND DRAINAGE EASEMENTS LOCATED AT THE SOUTHERLY AND WESTERLY PROPERTY LINES OF PLAT 602D, BLOCK 2, LOT 1 (15307 E. VERBENA DRIVE) AS RECORDED IN BOOK 166 OF MAPS, PAGE 34, RECORDS OF MARICOPA COUNTY, ARIZONA (NANGLE).

AGENDA ITEM #3 - CONSIDERATION FOR APPROVING RESOLUTION 2009-23, ABANDONING WHATEVER RIGHT, TITLE OR INTEREST THE TOWN HAS IN PORTIONS OF THE CERTAIN PUBLIC UTILITY AND DRAINAGE EASEMENTS LOCATED AT THE NORTHEASTERLY PROPERTY LINE OF PLAT 506B, BLOCK 2, LOT 23 (14956 E. MARATHON DRIVE) AS RECORDED IN BOOK 159 OF MAPS, PAGE 03, RECORDS OF MARICOPA COUNTY ARIZONA (CZARNYSZKA).

AGENDA ITEM #4 - CONSIDERATION OF APPROVING A LIQUOR LICENSE APPLICATION SUBMITTED BY FREDERIC CHARLES ZIMMERMAN (FOUNTINI'S BAR AND GRILL), LOCATED AT 13407 NORTH LA MONTANA DRIVE, FOUNTAIN HILLS, AZ. THIS IS FOR A SERIES 12 LICENSE (RESTAURANT).

Councilmember Hansen **MOVED** to approve the Consent Agenda as listed with the exception of the removal of Item #4, as requested by the applicant, and Councilmember Contino **SECONDED** the motion.

A roll call vote was taken with the following results:

Councilmember Dickey	Aye
Mayor Schlum	Aye
Councilmember Leger	Aye
Vice Mayor Archambault	Aye
Councilmember Brown	Aye
Councilmember Hansen	Aye
Councilmember Contino	Aye

The motion **CARRIED UNANIMOUSLY** (7-0).

REGULAR AGENDA

AGENDA ITEM #5 - DISCUSSION OF GREEN BUILDING DESIGN OPTIONS WITH POSSIBLE DIRECTION TO STAFF FOR CONSIDERATION OF APPROPRIATING FUNDS, NOT TO EXCEED \$60,000, TO HUNT & CARAWAY ARCHITECTS, LTD. RELATIVE TO THE LEED DESIGN OF THE POSSIBLE NEW FIRE STATION.

Fire Chief Scott LaGreca addressed the Council relative to this agenda item and said that since the last time they met two weeks ago their world had changed drastically as far as their competition for the grant that they were all

striving to attain. He said that staff had been trying to learn all they could about LEEDS and sustainability and Chief Roberts had been significantly involved in this research. He stated that Chief Roberts met with the architects and tapped into the citizens in Town as well to help them understand this and help the Town move forward. He added that the next two items were pretty much all about the Town being competitive in the grant process. He noted that the application was very specific relative to what they were looking for.

Chief Randy Roberts thanked the Council for allowing him the opportunity to address them and provided a brief overview of the situation. He said that originally approximately \$364,000 was budgeted for the design of this fire station and that was with the anticipation that the Town would receive stimulus monies. He noted that FEMA had released very little information up front and they were left to guess how that was to go. He stated that they knew there was probably going to be some green component to the structure to meet the guidelines of the grant but they did not know to what extent that would be. He noted that they were trying to keep the costs down so they had a price for the green design, a price for LEED certification and decided that perhaps they did not have to go that far and could save some money.

Chief Roberts advised that at the June 4th Council meeting \$114,000 was appropriated to contract with the architectural firm of Hunt & Caraway for the design of the new station (for those sustainable features but no certification). He pointed out that the firm was carefully selected from over 30 applicants through the RFQ process and part of their selection was based on their green credentials. He added that on June 11th, the FEMA application was released and the Town had a lot of language regarding sustainability in their package. He read the introduction portion of the application, which stated, "infrastructure projects must incorporate sustainable practices listed in Guiding Principles for Sustainable and New Construction and major renovations, as required in Executive Order 13423. In addition, infrastructure projects should achieve United States' Green Building Council Leadership, Energy and Environmental Design, otherwise known as LEED registration at certified silver, gold or platinum level." He said that it said it was important to achieve both conditions. He noted that it was more than just LEED; it was complying with that pamphlet too and there was quite a bit to the sustainability package.

Chief Roberts informed the Council that at that point they contacted their contracted architects and explained their dilemma and let them take a look at the packet. He said that they requested a price on a proposal on the addendum to the contract because staff feels that if they did not have that piece in there, it was going to be very difficult for them to move forward. He emphasized the competitiveness of the process and the importance of the sustainability component. He reported that he contacted FEMA on several occasions and although they would not commit themselves, they did say that if the Town did not have that piece it would probably have a very slim chance of being successful in the process.

Chief Reports further stated that the Town's contracted architectural firm, Hunt & Caraway, had reviewed all of the information and agreed to incorporate the sustainable design requirements, including the LEED certification, for an additional \$60,010. He commented that it sounded like a lot of money to them up front but as they have gone through this and learned more they had learned that it really was a very involved process. He noted that the architects were present in the audience and willing to respond to any questions from the Council regarding the sustainability component. He reminded the Council that even if they did agree to appropriate this additional funding, the Town would still be well below the half that was originally budgeted for the design process (\$364,000).

Mayor Schlum thanked Chief Roberts for his presentation. Ms. Bender advised that one speaker wished to address the Council relative to this agenda item as well as Agenda Item #6.

Mr. Tom Tahmassian addressed the Council and said that he lived in Town and performed certain green tasks and energy modeling. He added that he also taught the subject. He read into the record a statement relative to the importance of energy modeling and said that performing energy modeling on a building was the essential part of sustainable design. He added that it paved the road for active solar design. He noted that this method

allowed them to calculate the payback so they could make decisions relative to financing the project and well as maintenance. He urged the Council to support this important agenda item.

Mayor Schlum thanked Mr. Tahmassian for his comments.

Councilmember Dickey thanked the Mayor and members of the Council for continuing this item rather than trying to make a decision on it a couple of weeks ago. She said that part of what they talked about was a piece of paper and how could that cost \$70,000 or now \$60,000 and emphasized that this particular piece of paper had value just like a college degree or a permit that the Town granted a builder. It said that we have accomplished something that had an accepted universal value to it, guarantees that there was a certain level of quality and was a verifiable standard. She stated that the people in the know that she knew have told her that the process was extremely competitive, the review process would check every category and every item and she absolutely believes, as she did before, that it would be very important for the Town to be considered. She added that this would also have something to do with a future scorecard - other State level things that were going on. She noted that over the last week or so other municipalities and entities have started to do more and more with LEED. She said she read about the Papago Gateway Center that had a LEED gold standard and added that they described it as -- "strict environmental practices observed during construction" that helped them to gain the gold standard. She added that the people in charge there said that they were proud that they were able to get the gold standard "but are more proud of how this amazing green building would actually operate in the real world -- new, healthier, less costly and they look forward to continuing to push through the barrier of present day thinking and technologies."

Councilmember Dickey stated that she wanted to go beyond the value of not only the chance that they receive the funding and beyond some of the money that could be saved by having a green building, she wants to shoot for some of the other ramifications of it as well (i.e. reducing the need for new power plants, increase the reliability of the energy that they need to sustain this growing State, reduce dependence on oil and natural gas, which was also a security issue, and reduce emission of air pollutants that were harming public health). She referred to a recent newspaper article regarding climate change and said if you did not want to believe it, that was fine but more and more she hopes that people start to take a serious look at this and see the sources of the reports and not always have such a jaundiced eye on it. She added that it also creates jobs, housing and a new energy.

Councilmember Dickey noted that in Arizona there were a number of municipalities that were champions in LEED buildings (Apache Junction, Tucson and the City of Scottsdale, which have been cutting edge on the development and implementation of green buildings for a decade longer than many of the other municipalities). She said that she spoke with representatives of the Arizona Department of Commerce and they feel there might be a chance that the definition of cost share could include the cost of reaching eligible measures. She stated that they also talked about how they could budget for this and said maybe if they start the construction later this year it could end up going into the next fiscal year but to that point she sent everyone an article about the City of Mesa, which was getting four fire stations for the price of three. She noted that competing construction companies have driven prices down and the cost of building materials had declined. She added that Mesa received a tremendous response to their bid process and would achieve substantial savings because of the economy. She reported that bids were running at 60% of the anticipated price.

Councilmember Dickey said that this all goes along with the discussions they had before the stimulus monies came along -- did they go ahead with the process regardless; not only because of the obvious public safety reasons but because of the timeliness of doing so. She stated that they did not have to discuss this now but if by chance they did not receive the funding she would hope that the issue was not off the table. She pointed out that the Arizona Republic reported today that they could not go ahead with this; they did not have the money for it and once again she would correct that -- they did and this Council would have to decide if unfortunately they did not get the stimulus funding to make a value judgment on whether to move ahead with this project anyway and that would be her hope. She noted that there were also School Districts that were building schools and Community College Districts that were LEED certified, not just green certified, and these schools use 30% to

50% less energy, reduce harmful pollutants by 40%, have light and temperature controls and at their facilities there was less absenteeism because people feel healthier. She advised that they call this a Coveted Award and they use materials that came from pretty close by so they did not have to have them trucked in adding to the emissions problems.

Councilmember Dickey also discussed public buildings and said that the Department of Environmental Quality where she worked was a green building; it was one of the first if not the first LEED silver certified building. She referred to an Executive Order in 2008 that involved public buildings, energy conservation and renewable energy utilization and said that their building had already reached that level and she anticipates that by going forth as proposed they would also find themselves in a good position as all of these codes and requirements and ability to attract grants got more and more abundant here in the State. She reported that the Gilbert Community College had decided to commit to constructing all of their new facilities as LEED silver certified. She emphasized that the benefits went far beyond how much money they could save and/or obtaining the stimulus funds and stated the opinion that this was a very wise decision and she hopes they could go forward with it.

Mayor Schlum thanked Councilmember Dickey for her comments.

Councilmember Leger said that during the last conversation on this issue, there was talk about the LEED certification being the nice thing to do with respect to increasing the probability of obtaining the grant as well as the match but what he was hearing today and reading in the staff report was that the Town must incorporate LEED practices and must achieve a registration for LEEDs. He asked for further input on why staff's recommendations have changed so dramatically over the last couple of weeks. He commented that people were already asking these types of questions and he would like staff to provide further clarification.

Chief Roberts clarified that the "must incorporate" refers to the guiding principles contained in the pamphlet from the Federal government and that was part of this proposal. He added that the LEED part of it was a "should achieve LEED registration at one of the levels certified up to platinum" but it also said it was important to describe plans to achieve both conditions. He added that throughout the rest of the document it continues to mention the LEED component. He discussed the calls that were made to FEMA and reported that they pretty much said that (without absolutely saying it was a "have to have") the Town would not have much of a prayer to receive the funding without it.

Councilmember Leger commented on the fact that they had gone 180 degrees in this discussion and he just wanted to clear the air and explain why. He stressed the importance of letting people know the rationale behind the Council's decision should they decide to move in this direction.

Chief Roberts also clarified that during the Call to the Public a gentleman talked about energy modeling and noted that in the scope of work proposal for the \$60,000 that energy modeling was included.

Chief LaGreca noted that this application was a three-part process once submitted and once the Town "pushes the button to submit," on July 10th, there was no taking anything back. He said they wanted to get through the pre-screening right away and they feel pretty confident that that would not be an issue for the Town if they were successful in doing everything that they wanted to do including these two things tonight. He added that then they would go into peer review and that was a committee of their peers, primarily firefighters or somebody in that business, and they would go through and look at the application and determine whether the project was an acceptable building to move forward and if it is, then they would move on to technical review and another package would be sent to fill out on this issue. He said that if they look at the technical review portion on the two spreadsheets provided, they would find that it was all about LEED certification. He stated the opinion that even if they made it to technical review with LEED certification, once they did get into technical review, it would be all over because half of the spreadsheet could not even be filled out. He said that they could have put in big red letters, "you MUST" but for some reason they felt that they did not totally have to use that word but the handwriting was clear as a bell.

Mayor Schlum commented that LEED was not a Federal program; it was an organization of professionals and Chief LaGreca agreed with the Mayor's statement. The Mayor said they were probably not looking to endorse any particular organization.

Vice Mayor Archambault stated that the figure they heard this evening was \$60,010 and asked if this particular risk analysis would have to be amended for the motion before them.

Ms. Ghetti replied no and said that they had funds appropriated in the Capital Projects fund for the fire station and the \$60,010, if approved by the Council, would have to come out of that appropriation. She noted that the difference was that the \$1.5 million had a revenue source attached to it (the stimulus funding) but the \$60,010 did not.

The Vice Mayor commented that this year they have \$364,000 budgeted and have approved \$114,000 and asked if they would be taking the \$60,010 out of this year's appropriation.

Ms. Ghetti advised that it would come out of next year's budget (the \$1.5 million) and added that any matching funds would come out of there as well.

Discussion ensued relative to the timing and the spreadsheet that needs to be populated (the sustainability spreadsheet) and the fact that there were no costs associated with that - it contains only what the Town was proposing to accomplish; the fact that the \$60,010 would be staged and if they were talking about a building that was going to be LEED certified and sustainable they had to start doing that at the very beginning of the project; the fact that the project was at a conceptual design stage right now and the architects were ready to submit site plan review to the Town for review; the fact that if that was approved and they took the next step, that starts detailing and calculating on the building and that was when the funding would be necessary (after the concept review); the fact that the architect fills out the sustainability forms for the Town, which were all done on line; and the fact that all of the paperwork through all of the construction as well as the year and half after monitoring and reporting was included in the \$60,010.

Councilmember Leger said that if the Council moves forward and approves the \$60,010 to move towards the LEED certification and the process was working and the design part of it moves all the way through building and construction, what happens if the Town did not get the grant and they decide not to build the fire station -- what did they get for their money? He asked if the design, which would be completed, would be design LEED registered.

Mr. Hunt with Hunt & Caraway Architects replied that the construction documents that they would complete would be reviewed and would have a certain number of LEED points to become certified but they were not certified until the building was actually constructed. He said that they could design a green building and you did not know if it was going to meet that or not but the certification process actually monitors all of the equipment that went into it, it tests it, it runs it and it certifies that what the manufacturer have told us it would do.

Councilmember Leger asked if they did not engage in construction would they be reimbursed for part of the fees and Mr. Hunt replied that part of their fee was for that certification process and if they did not build it and they did not do the certification, the Town would not be charged for that portion of it.

Mayor Schlum said that that was where he was going when he talked about timing and said they would be filing July 10th so they would be at the concept review stage and would not necessarily need to move beyond that until they hear back regarding the grant.

Chief LaGreca replied to the Mayor's comment and said that they were ready and applying to Planning & Zoning for concept review probably within the next two to three weeks. Once that process has been approved that was when the architects would start doing the actual design work (site work and design of the building) and they would only go so far and that was it.

Mayor Schlum asked when they might expect to hear back from the Federal government and Chief LaGreca replied that they were saying that the Town would hear back by September 30th.

The Mayor said that as long as they were at a point where they think they would have success if they go for LEED certification, and that sounds like a MUST rather than a SHOULD, monies were not expended to actually did the LEED certification or to go much further down that road until they were actually awarded the project or if they were not awarded the project they might have a discussion about moving forward anyway and then they would decide whether to spend the money on it or not.

Chief LaGreca stated that he believes that the contract states that the architect bills on a monthly cycle for only the work that has been performed and completed.

Town Attorney Andrew McGuire confirmed the Chief's statement and noted that the "tail end portion" would never be expended until such time as the building was actually constructed. He added that they could authorize up to a certain amount without actually expending it.

Additional discussion ensued relative to the Mayor's opinion that most of the Council wanted to have a building that was sensitive to the environment; his statement that if they move on this motion this evening he would want to make sure that it was clear they were not spending any of the certification dollars until they had another discussion following their successful awarding of the stimulus dollars or not; Councilmember Brown's opinion that they needed to go ahead and approve the \$60,000 because it was not as though they were going to write them a check for that amount but if they did not start the process of the design for a sustainable building, the architects would not be able to fill out the spreadsheet/proper paperwork if they got to Phase III of the loan package and his statement that if they designed a sustainable building and they did not get the funding to build it, they would still have the right to build a certifiable building without having it certified and that would be the right thing to do; his opinion that if they did not proceed, the chance of not getting the grant was huge; cost breakdowns; difficulties associated with identifying exactly how much money the Town would have to spend between now and September because the numbers were not broken down that way; the fact that in order to get it on the list they would have to get the initial forms filled out and when the application was submitted and it says that the building would be LEED certified, the architect was certain that they were going to go to LEED and check for the Town's registration number so it would go at least that far; the Vice Mayor's statement that they basically had to complete the plans and spend the \$38,000 before they actually found out whether they would receive the grant; the architect's comment that by that time they would pretty much have to have a complete set of prints; the fact that not all of the LEED forms were filled out at one time; and the fact that as slow or as fast as they move was really dependent on the Council.

Mayor Schlum referred to an earlier statement by the architect that the proposal should be silver with a description and also the green plan needs to be described and asked if that was part the LEED work or part of the work that they do being a part of a LEED or a green architect. He asked if that was something they would expect to be doing or would only be done with the additional funding.

The architect responded that it would be done with the additional funding and said that when he makes a statement that his firm designs green, they design buildings that were sustainable and have cost sustainable operating systems, etc. and what LEED did was certify it and approve it. He said that he could design a very cost effective green building but without LEED, there was nothing to prove that it is. He read a definition of a LEED/green building, which stated "the incorporation of recycled materials and environmentally friendly products, energy efficient systems, water saving technologies and sustainable design with the goal to create a renewable system without external input was green." He added that LEED "is the documentation and verification of any green systems both within the design and during the construction process."

Councilmember Dickey stated that it means something to be certified and reiterated some of her previous remarks relative to the importance of LEED certification.

Councilmember Hansen thanked the citizens who have contacted the Council with the information and said that one was becoming a certified LEED AP and he was willing to volunteer his time along with their staff to do this process. She stated that after hearing about the amount of paperwork involved, it was clear that they probably could not do that in-house. She added that she thinks it was time to move forward on this.

Councilmember Contino advised that he had concerns regarding the green aspect of it and said that he knew everything had to be taken care of and certified to be green but he was more or less concerned about the design of the building and he had not seen anything that shows him how green this building is. He added that it includes the lumber, the fiberglass, all the insulation, the windows, how it was set according to the weather, all the glass, etc. He said he hasn't seen anything on that yet and when they say green they could be doing it all with recycled materials and still not be a green building. He stated that they had not seen everything yet and he was a green person but they could not tell him that this was going to be what they want right now when he hasn't seen anything, not even infrastructure, on this design to say this was a green building like they want.

Mayor Schlum commented that everyone requires different information in order to become comfortable with the proposal. He asked if the LEED's certification would help alleviate Councilmember Contino's concerns. Councilmember Contino replied no, because he did not know how the design was and whether it had to be tilted one way a degree, two degrees, or what it had to be to make the building right for a green building. He added that he had concerns about the heat factors in certain parts of the building.

Mayor Schlum asked when they would begin to see some of that information (at the project review?) or through the LEED's process.

Assistant Fire Chief Roberts noted that LEED was about the only accepted standard right now for green buildings and that was the only way you could absolutely guarantee that all of the things Councilmember Contino discussed would be green. He added that that was why it needs to start at the very beginning and said they were at a crossroad right now; they really could not push forward with the design until they decide which way they were going to go. He commented that Councilmember Contino's concerns were very well taken and he did think that having the LEED standard really would take care of all of the issues he raised. He added that the architect could probably put some of these things to rest if they could just take a moment to listen to him.

Gustavo Valenzuela (Hunt & Caraway Architects) addressed the Council and said that the items mentioned by Councilmember Contino would be addressed through the LEED's certification process. He explained that they were looking for a set of eyes to make sure that the building would be sustainable and that was what LEED does. He confirmed that this was basically the only organization that would make sure that all of the different credits that they go for concerning orientation of the building (windows, how many, facing east and west, etc.) happen. He advised that they did have a conceptual floor plan, site plan and elevations for anyone to review and when they submit them for concept review he was sure that they become public record. He added that once they implement LEED into their project and the Council approves this item that was when they would really start to see all of those things happen to the building.

Mayor Schlum stated that when it was appropriate it would be good to provide the Council with a set of those plans. He asked if what was being submitted by July 10th was all that would be needed for the peer review.

Chief LaGreca replied that the Mayor was correct and the plans would be provided. He added that the July 10th documents suffice for the peer review.

The Mayor said that at that point they would just be making a statement that they would be meeting at least a minimum of the silver LEED certification requirement along with the green language.

Chief LaGreca again concurred and added that after that it would become much more definitive in the technical review phase. He explained that they were very clear in the application process that once you commit to what you were going to do, they were going to hold you to it and should you deviate from what you say you were

going to do you stand a good chance of losing the grant and the Chief could end up in front of the Inspector General. He added that there was a bit of a risk on his part too as they went forward in that if they commit to something and then did not do it, they could lose the grant if in fact they did get the grant.

Mayor Schlum commented that the Town would expend as little as possible towards achieving the LEED's certification and then they need to talk again either because they were successful in garnering the money or if they aren't and need to consider moving ahead anyway.

In response to a question from Councilmember Dickey, the Chief advised that the building's square footage was 5,800 square feet at this time.

Mayor Schlum asked if being LEED certified on the building would save money on some of the earth work and components within the property. He asked whether there would be a pay back as a result of the certification or whether it did the opposite (costs more to build a LEED's certified building).

Mr. John Schmid (Hunt & Caraway Architects) responded to that question and advised that there were certain credits involved (i.e. energy efficiency - 24% savings within the facility, water consumption was still being determined from the fixtures, etc.). He added that once they actually get into the LEED credits they would understand how much energy, water and different things they would save on.

Mayor Schlum asked if there would be any savings as far as the land prep, actual construction (the components that go in) and Mr. Schmit replied that it really depends and sometimes there was actually a premium on those prices. He said, for example, if you put a structure underground or anything like that to help with insulation values, they would have to pay more money to do that. He added that they would save some money on recycled materials but spend more money in other areas so it really comes out a wash.

Councilmember Contino stated that there was a possibility of putting the first floor underground and having a second floor and doubling their space. He said that with the certain amount of measurements they have on that site it was a tight fit to get the building in there. He added that they could go green with two stories as well as one and have a lot more efficiency and more green than they had before. He stated that that was why he was wondering whether they were rushing into this and asked whether they even looked at having a second floor or an underground floor.

Gustavo advised that the firm was not requested to explore a second story or two-level building and if the Fire Department feels that it was appropriate to do so they would be willing to pursue this concept. He noted that there were other issues that enter into such a proposal, such as ADA accessibility and elevators for a two-story public building. He said that would not necessarily result in a greener building or a more efficient building. He added that the solution they had provided so far as far as the site plan and locating the building within the site) was very successful and addresses all of the issues.

Councilmember Contino asked if they had two stories instead of one whether they would feel better about the building (more efficient) and reiterated concerns regarding the size of the lot. Gustavo replied that their experience tells them that a two-story building was not necessarily greener than a single-story building. He added that they were willing to listen to any ideas or insight anyone wants to provide relative to a two-story building.

In response to comments from Councilmember Contino relative to energy efficiency and insulation, Gustavo said underground buildings sometimes provide better insulation value but present other challenges that in the long run might result in additional costs in a public building.

Councilmember Hansen advised that she would have concerns with a two-story building because it would double the impact on the Resort property from a visibility standpoint.

Ms. Bender advised that one speaker wished to speak on this item.

Cynthia Zagurski addressed the Council and expressed concerns relative to the proposed location of the fire station. She said that they were talking about building the station on a small lot with a very busy uphill grade and a neighborhood situation where there were all homes around the area. She added that they had not considered anything other than just putting the building on this lot and she agreed with Councilmember Contino that if they considered a two-story building it could be built below grade and lessen the impacts. She reiterated concerns about the proposed location and expressed the opinion that a lot of other issues need to be addressed.

Mayor Schlum thanked Mr. Zagurski for her comments.

Mayor Schlum noted that placement discussions had occurred over the last year and it was probably one of the biggest items for most of the Council to come to terms with.

Councilmember Hansen advised that she voted against the original contract because she agrees that a better location could be found. She added that with that being said, the decision about the location had been made.

Councilmember Hansen **MOVED** to approve the Town appropriating funds not to exceed \$60,000 to Hunt & Caraway Architects, Ltd. to comply with sustainable practices in the Guiding Principles of Sustainable New Construction as required in Executive Order 13423, and achieve LEED registration at Silver Certification, as required by the FSC Grant Application and Councilmember Brown **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #6 - DISCUSSION AND CONSIDERATION OF POSSIBLE TOWN MATCHING FUNDS, NOT TO EXCEED 10%, RELATING TO THE 2009 ASSISTANCE TO FIREFIGHTERS GRANT FOR CONSTRUCTION OF THE POSSIBLE NEW FIRE STATION.

Chief LaGreca addressed the Council relative to this agenda item and said that as stated before there was another stipulation regarding the fact that even though the grant did not require a match they look highly on any organization that was willing to partner in this process. He stated that staff's recommendation tonight was that the Council approve a potential 10% match of the grant. He added that the Council realizes that if they were unsuccessful in obtaining the grant the matching funds become a moot point.

Mr. Tahmassian addressed the Council and said he appreciates the fact that the members of the Council discussed this issue in such depth and their efforts to clearly understand the issues. He stated that he understands that they were going for LEED because it was a requirement and energy modeling was also required for any grant. He added that as a semi-expert in this field he feels very comfortable with the Council's vote.

The Mayor thanked Mr. Tahmassian for his comments.

Councilmember Dickey **MOVED** to approve matching funds not to exceed 10% for application to the Assistance to Firefighters Fire Station Construction Grant and Councilmember Brown **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #7 - PUBLIC HEARING RELATING TO ORDINANCE 09-06, AMENDING THE FOUNTAIN HILLS ZONING ORDINANCE, CHAPTER 6, SIGN REGULATIONS, TO ELIMINATE THE REQUIREMENT THAT AN A-FRAME SIGN BE LOCATED WITHIN TWENTY (20) FEET OF THE MAIN BUILDING ENTRANCE AND TO INCREASE THE SIGNAGE ALLOWED FOR LARGE COMMERCIAL BUILDINGS. CASE #Z2009-01.

Mayor Schlum declared the public hearing open at 8:10 p.m.

Planning and Zoning Director Richard Turner addressed the Council relative to this agenda item and said that these two changes to the Sign Regulations came to them having taken slightly different paths. He noted that the change to the A-Frame Sign Regulations started with comments made at a Call to the Public last December and a local business owner stated that due to the 20-foot distance requirement he could not legally place an A-Frame sign where it could be seen from the street. At the conclusion of the Call to the Public, the Mayor indicated that this issue would be looked at further by staff.

Mr. Turner advised that the other Sign Regulation change would allow larger commercial buildings to have more signage and that began at a Board of Adjustment hearing on a variance request for the sign at the new Basha's store. During the discussion, at least two members of the Board commented that the Zoning Ordinance should be changed to allow larger stores to have more signage. He noted that both proposed changes had been reviewed by the Planning & Zoning Commission Sub-Committee on Signs and by the Town Attorney and had been recommended for approval by the Planning & Zoning Commission.

Mr. Turner stated that eliminating the requirement that an A-Frame sign be located within 20 feet of the main building entrance would be accomplished by striking one of the sections in the Sign Regulations. He added that removing this restriction would have the effect of increased visibility of businesses and business promotions. He reported that the total number of A-Frame signs would not increase; however, it might appear that there were more because more signs would be able to be located closer to the street.

Mr. Turner said that with regard to the other change, the existing Sign Regulation put a 100 square foot limitation on the amount of signage allowed for a commercial business. Using the new ratio adopted with the recent change to the Sign Regulations this limit was reached for a store with 50 feet of building frontage. Staff studied the question of allowing commercial buildings to have more signage and feel that the best way to accomplish that was to permit additional signage at a ratio of half a square foot of additional sign area for every foot of building frontage in excess of 100 feet.

Mr. Turner stated that staff recommended approval of the two changes to the Sign Regulations as presented.

The Mayor said the first change would be the A-Frame change. Ms. Bender advised that there were no citizens wishing to speak on this item.

Vice Mayor Archambault stated that it was his understanding that the purpose of the A-Frame signs was not changing at all, just the location, so they still could not be directional signs and Mr. Turner confirmed that the Vice Mayor's understanding was correct. Mr. Turner said he did not recall if the Committee specifically addressed whether eliminating the 20-foot restriction would result in directional signs but he did not believe they did. The Vice Mayor cautioned staff about making sure that they did not start going backwards and get into directional signs again.

Discussion ensued relative to the fact that more visibility would assist local businesses; the fact that the proposal actually expands the rules for the use of A-Frame signs; the termination date of 12/31/09 (for allowing A-Frames) and the fact that that was something that the Council put in place to take a look at the Town at that point in time and see if the businesses were following the rules responsibly and, if everyone was acting responsibly, then the Council would have to revisit the issue before the deadline date to extend the regulations or make adjustments if necessary to allow things to carry forward; the fact that if the reverse was true, and a majority of the Council feels that the appearance of the Town was unacceptable based on the proliferation of A-Frame signage, then they would allow the ordinance to remain as was and the permissions would automatically expire eliminating A-Frame signs; Councilmember Leger's recommendation that they extend the deadline date to June 30, 2010 to give that one-year window for practice; the Mayor's comment that that was something they would need to address because they did not want to wait until December to make that decision and the fact that that would cover the entire ordinance that relates to A-Frames (date could not be changed tonight so they could talk about that at a future meeting).

Mayor Schlum declared the public hearing closed at 8:22 p.m.

AGENDA ITEM #8 - CONSIDERATION OF ORDINANCE 09-06, AMENDING THE FOUNTAIN HILLS ZONING ORDINANCE, CHAPTER 6, SIGN REGULATIONS, TO ELIMINATE THE REQUIREMENT THAT AN A-FRAME SIGN BE LOCATED WITHIN TWENTY (20) FEET OF THE MAIN BUILDING ENTRANCE AND TO INCREASE THE SIGNAGE ALLOWED FOR LARGE COMMERCIAL BUILDINGS. CASE #Z2009-01.

Councilmember Hansen advised that she originally brought up the 20-foot issue at the November 20th meeting after going out on the Avenue and Saguaro and measuring the distances and after the discussion that night when they left, she had the understanding that that was something that they could come back and "tweak." She said that she believed it was time to "tweak" it.

Councilmember Hansen **MOVED** to approve Ordinance 09-06 amending the Town of Fountain Hills Zoning Ordinance, Chapter 6, Sign Regulations, Section 6.08, to eliminate the requirement that an A-Frame sign be located within twenty (20) feet of the main building entrance and to increase the signage allowed for large commercial buildings and Vice Mayor Archambault **SECONDED** the motion.

Mayor Schlum that the change would still require the A-Frame signs to be on the property and Mr. Turner said that was correct.

Councilmember Dickey asked if anything in this addresses changing banners and Mr. Turner said it did not.

The motion **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #9 - CONSIDERATION OF RENEWING THE ANNUAL LANDSCAPE CONTRACT WITH MARIPOSA LANDSCAPE ARIZONA, INC., IN THE AMOUNT OF \$134,839.

Parks Supervisor Don Clark addressed the Council relative to this agenda item and said that he was present this evening to recommend consideration for the renewal of the annual landscape contract with Mariposa Landscape Arizona, Inc. for \$134,839. Mr. Clark briefly reviewed the Staff Summary and noted that the contract provides services to the Town's parks and Public Works medians and to the School District. He noted that this year Mariposa Landscape Arizona, Inc. had agreed to both reduce the scope of work by reduced mowings and eliminating over-seeding in some of the parks. The Regional Operations Manager had also agreed, at staff's request, to eliminate the cost of living adjustment this year. He added that this was the final year of the renewal and the work would be rebid in the spring of 2010. Mr. Clark informed the Council that the School District was not included in this renewal and would be making their arrangements with Mariposa Landscape Arizona, Inc. separately, as required by the Finance Department.

Mr. Clark requested Council approval and indicated his willingness to respond to any questions.

Mayor Schlum thanked Mr. Clark for his presentation.

Ms. Bender advised that there were no requests to speak on this item.

Councilmember Hansen **MOVED** to approve the renewal of the annual landscape contract with Mariposa Landscape Arizona, Inc., in the amount of \$134,839 and Vice Mayor Archambault **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #10 - CONSIDERATION OF RENEWING THE NICHOLS & SONS LANDSCAPE MAINTENANCE CONTRACT FOR FY2009-10 IN THE AMOUNT OF \$155,466.07.

Public Works Director Tom Ward addressed the Council relative to this agenda item and provided brief background information relative to this issue.

Mr. Ward explained that this item was for the maintenance of Town-owned medians as well as Town-owned property around Town Center. He noted that the contract contains three items - crew hours (3 people, reduced from 3335 hours to 2000 hours), pre and post emergent spraying for weed control and irrigation tech hours to perform maintenance repairs to Town-owned irrigation systems.

Mr. Ward said that the original contract was approved in June 2005 for a one-year period with the option to renew for four additional one-year periods. This was the last year to renew this contract and therefore it would go to public bid next Fiscal Year.

Mr. Ward advised that staff had been satisfied with the performance of Nichols & Sons Landscaping this past year and recommends continuing this contract for another one-year period. He indicated his willingness to respond to questions from the Council.

Ms. Bender advised that there were no requests to speak on this item.

Ms. Ghetti commented on the fact that one of the advantages of having program budgeting was that they would be re-bidding both of those contracts next year and the Town would be able to bid as well as see if the Town could do it cheaper because now they had the ability to capture all of those costs for median maintenance and parks maintenance. She said that staff was looking forward to putting in a bid as well.

In response to a question from Councilmember Leger, Town Attorney Andrew McGuire stated that if the company were to be sold during the term of the contract, past history had been that as long as the new company was willing to be obligated the same way as the current owner and if they were of equal skill and able to get the job done, the Town typically would allow an assignment that would be authorized by the Town Manager.

Vice Mayor Archambault **MOVED** to approve renewal of the annual landscape contract with Nichols & Sons in the amount of \$155,466.07 and Councilmember Dickey **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #11 - CONSIDERATION OF THE OPTION AND LEASE AGREEMENT BETWEEN THE TOWN AND CRICKET COMMUNICATIONS, INC., FOR A NEW WIRELESS TELECOMMUNICATIONS FACILITY CONSTRUCTED ON APPROXIMATELY 312 SQUARE FEET WITHIN DESERT VISTA NEIGHBORHOOD PARK FOR AN INITIAL TERM OF FIVE (5) YEARS.

Ms. Ghetti addressed the Council relative to this agenda item and said that at the last meeting the Council approved a Special Use Permit for Cricket Communications, Inc., for a light tower in Desert Vista Park. Since that was Town property and they want to put a cell tower there, the Town would enter into a lease agreement so they would receive some rental revenue from that tower every month.

Ms. Bender stated that there were no citizens wishing to speak on this item.

Councilmember Brown **MOVED** to approve the option and lease agreement between the Town of Fountain Hills and Cricket Communications, Inc. and Councilmember Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #12 - CONSIDERATION OF RESOLUTION 2009-05, AMENDING THE TOWN FINANCIAL POLICIES SECTION III FUND BALANCE, ESTABLISHING A RAINY DAY FUND.

Ms. Ghetti addressed the Council relative to this agenda item and stated that during the Council's Retreat at the goal setting session one of the goals was to restructure the Town's financial policies for fiscal efficiency for the benefit of taxpayers (to provide structural stability to the Town's finances in the event of an economic downturn

similar to what they were currently experiencing). She explained that staff had reclassified a portion of the fund balance and called it a Rainy Day Fund and added that it functions pretty much the same as it did before when it was called the Undesignated Unreserved Fund but now it would be the Rainy Day Fund with a little more restrictions on the use of it.

Mayor Schlum requested that Ms. Ghetti provide information on the Town's ability to tap into Rainy Day Funds. Ms. Ghetti discussed the use requirements and explained that the funds would be set aside in a separate segregated fund and it would be appropriated every year (included in the budget as an expenditure but the restrictions on it were such that there were specific criteria that must be met before those funds could actually be tapped). She noted that one of those restrictions would be that they could withdraw from it if they lost 25% or more of State Shared revenues, which was the equivalent of about \$1.5 million. The other restriction would be that it would require a 2/3rds majority vote of the Council to use it and if the Town's total revenues in the General Fund dropped more than 25% they could tap in as well. There was also a requirement to pay it back in five equal installments and contribute to it every year until it reaches a certain point.

Ms. Bender stated that there were no citizens wishing to speak on this item.

In response to a question from Councilmember Dickey, Ms. Ghetti advised that previously the Undesignated Unreserved Fund was not contributed to every year; it had remained at a level amount every year so they had taken any reserves left over from the General Fund and put them into the Capital Projects fund. She said that now they would take 5% of those reserves, if there were any left, and put them into the Rainy Day Fund first and the balance, if any, would go into the Capital Projects fund.

Councilmember Dickey commented on the fact that they talk about their capital funds a lot and how they did not have a lot of carry forward. She added that this was pretty restrictive (to take it before that). She said that when they talked about the way the budget was going lately she was almost going to suggest (because they gave 85% to that and 15% of any kind of carry forward) that they consider changing that percentage a little bit. She stated that she was curious whether anyone else had thoughts on this issue given the condition of the Town's roads and other items that they had spoken about. She questioned whether they wanted to put the money into the Rainy Day Fund before they did the transfer into Capital Funds (projects) and added that they could talk about the percentage at another meeting if necessary. She noted that this proposal diverts some money from going into the Capital carry forward.

Mayor Schlum asked what the impact would be this year and Ms. Ghetti replied that she did not expect anything this year. She clarified that they would only be taking 5% of the reserves and once the Rainy Day Fund was maxed at 10% of the General Fund revenues (\$1.6 million), they would no longer contribute to it; it would stay at that level.

Councilmember Dickey commented that they were talking about a 2/3rds vote or a majority of everybody, not just who was present (if five were present they would still need four votes). Town Attorney Andrew McGuire confirmed Councilmember Dickey's understanding of the vote requirements.

Councilmember Dickey discussed the equal annual installments that would have to be made within five years and said that she thought she read somewhere that they would replenish only in those years it was possible to do so (if they had five bad years in a row she thought they would not have to replenish it).

Ms. Ghetti stated that Councilmember Dickey's understanding was correct and the money would actually have to be appropriated. If they withdrew the funds they would have to be appropriated every year for five years and withdrawals were restricted to 50% of it so if they withdrew 50% they would have five years and they would have to appropriate it in the General Fund, a line item.

Councilmember Dickey said that would have to happen regardless of the economy and she thought she read somewhere that they would not have to replenish if they had several bad years in a row.

Ms. Ghetti advised that when they talked about the criteria at the beginning and described a good Rainy Day Fund, the material said that the rules did not require that the fund be replenished during a downturn. She stated that that was probably a decision that they could make at the time.

Mayor Schlum questioned, with the issue raised by Councilmember Dickey, whether they need to consider the Resolution itself or whether that was something that could be managed or was already contained in there.

Ms. Ghetti stated that it was not included and added that it was included in a description of a Rainy Day Fund (what should be included) and advised that staff did not include it in the proposal. She added that they included a replenishment requirement. She said if they wanted to not replenish it they would have to change the policy.

Vice Mayor Archambault commented that this was a small percentage and something he had been talking about for years. He said that he did not have any concerns over it and five years was a long time. Usually sometime during that period he believes they could come up with the funding to replenish that fund and it gives the Town a safety net if entities beyond their control start messing with the Town's revenue. He noted that the Council would have to achieve a 2/3rds vote to move the funds and when it gets to that point it would be serious and he doubts they would have a 3-4 vote; he was almost certain it would be more of a 7-0 vote. He pointed out that they were not affecting their bond rating and Ms. Ghetti concurred. She added that reclassifying it actually would improve the Town's credit because it was more restrictive.

Mayor Schlum stated the opinion that it was a self-healing issue.

Councilmember Dickey **MOVED** to approve Resolution 2009-05 amending the financial policies and establishing a Rainy Day Fund and Councilmember Hansen **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #13 - CONSIDERATION OF RESOLUTION 2009-22, A TRANSIT SERVICE AGREEMENT BETWEEN THE TOWN AND THE REGIONAL PUBLIC TRANSPORTATION AUTHORITY (FOR MARICOPA COUNTY) RELATIVE TO REIMBURSEMENT FOR THE COST TO PROVIDE ADA PARATRANSIT SERVICES FOR THE PERIOD JULY 1, 2007 THROUGH JUNE 30, 2012.

Ms. Ghetti addressed the Council relative to this agenda item and explained that this was the Intergovernmental Agreement (IGA) with the Regional Public Transportation Authority to give the Town the ability to apply for a refund of monies paid for the STS Program.

Ms. Bender stated that there were no citizens wishing to speak on this item.

Mayor Schlum asked how this issue came up and Ms. Ghetti said that the Town was contacted by the RPTA. They had actually forwarded the IGA to the Town over a year ago but somehow it never showed up anywhere and so they called to find out why we didn't sign it. She noted that this provides the Town an opportunity to obtain a \$7,000 refund and they also said the Town could make it retroactive to 2007-08 and apply for those refunds.

Councilmember Dickey asked why it was not for the whole amount (over \$14,000) and Ms. Ghetti replied that the \$7,000 was the amount that the RPTA said the Town was eligible to get as a refund. She noted that it was not LTAF. She said that the amount would come to almost \$15,000 when they apply for the previous years and were granted those funds. She added that they had to spend the funds first so next year they had to spend it before applying for the refund.

In response to a question from Councilmember Contino, the Mayor stated that they would know more about the program on July 2nd and this item only pertains to the refund.

Councilmember Hansen **MOVED** to approve Resolution 2009-22, the Transit Service Agreement with the Regional Public Transportation Authority for the period July 1, 2007 through June 30, 2012 and Councilmember Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0).

AGENDA ITEM #14 - DISCUSSION WITH POSSIBLE DIRECTION TO STAFF REGARDING PUTTING BEFORE THE VOTERS THE QUESTION OF AUTHORIZING APPROXIMATELY \$4,500,000 IN STREET AND HIGHWAY IMPROVEMENT AND GENERAL OBLIGATION BONDS TO BE HELD IN NOVEMBER, 2009.

Ms. Ghetti addressed the Council relative to this agenda item and highlighted a brief PowerPoint presentation.

Ms. Ghetti said that staff was seeking input/questions relative to putting before the voters the question of authorizing the bonds and explained that tonight's meeting was simply an opportunity for the Council to pose questions to staff relative to the impact of taking such action.

Ms. Ghetti reviewed the Election Timetable and noted that the election would have to be called by July 2009; the date of the election would be November 2009; if approved, the bond sale would take place in February 2010; construction would begin somewhere between March and June; the levy for the first debt payment would take place in August 2010 and the tax would appear on citizens tax bills in September 2010.

Ms. Ghetti noted that there were three options for funding this:

- 1) General Obligation Bonds
- 2) General Obligation Bonds and HURF Bonds
- 3) Cash and General Obligation/HURF Bonds

Ms. Ghetti explained that using Option #1 for a \$4.5 million proceeds the property tax rate would be about \$0.07 per \$100, which was approximately \$31 per year (15 year debt retirement on a \$350,000 assessed value home). She noted that the assessed values had not been finalized yet.

Ms. Ghetti stated that Option #2 was using \$3 million in General Obligation Bonds and \$1.5 million in HURF or Street Bonds and that would be about \$0.05 per \$100 or \$14 a year on a \$350,000 home. Using the other \$1.5 million from HURF there would be no affect on the tax rate; the payment for that would come right out of the HURF revenues.

Ms. Ghetti advised that Option #3 was the same scenario except that they would use \$1 million of cash from the Capital Projects Fund and that would reduce the General Obligation Bonds down to \$2 million and there would be about \$6.00 per year for the homeowner.

Ms. Ghetti indicated her willingness to respond to questions from the Council. Ms. Bender advised that there were no citizens wishing to speak on this item.

Mayor Schlum asked why on Option #1(the HURF funds) would not be included (or were they?).

Ms. Ghetti replied that Option #1 was just if the Council decided to do all General Obligation Bonds and have it all paid for through property taxes. In response to a question from Councilmember Dickey, Ms. Ghetti confirmed that they were all for 15-year terms.

Councilmember Dickey stated the opinion that Option #2 was a better rate than Option #1 as far as what they were getting for their taxpayer dollars. Ms. Ghetti reiterated that the numbers were still approximate.

In response to a question from Vice Mayor Archambault, Ms. Ghetti advised that currently the HURF Fund or the Streets Fund had a debt payment of about \$135,000 (varies between \$135,000 and \$150,000) and had for the past 15 years. She said that this year that was coming up was the last year so this payment of about \$150,000 would just replace that payment so there would be no impact other than the \$150,000.

The Vice Mayor asked if they would be "shooting themselves in the foot" by using HURF funds when they could use them to perhaps mitigate future bond issues that they might have to have by keeping up with the road maintenance and keeping the \$150,000 for that purpose (assuming that the voters would approve the issue).

Mr. Ward replied that he was not exactly sure how to answer that question and said that obviously any extra money they could get for road maintenance was much appreciated and the \$150,000 was certainly a benefit. He added that it would probably help them get around the Town faster.

Vice Mayor Archambault noted that they were always talking about slurry seal and maintaining the streets and this year they put off some slurry seal because they just did not have the funding. He added that this year, had they had the \$150,000 in HURF funds added back in and not used them for a bond payment, that would have maybe mitigated what they had put off. He said he was wondering if they were "sugar coating things" by proposing going to the public with a smaller General Obligation Bond and saying we'll use \$1.5 million from the HURF funds and the citizens were not really getting the true picture of the costs it takes to redo Saguaro Boulevard, which was what they were talking about here. He added that they saw a \$14 million in expenditures that they were going to have to do on their streets by 2017 and he was wondering if they could ease some of that by not using the HURF funds for a bond issue and instead using those monies back on the streets to help mitigate in future years going back to the citizens and saying they need another bond issue for the streets. He commented on the fact that they were fighting a losing battle right now.

Mr. Ward agreed that they were fighting a losing battle and said that this past year it just so happened that they were looking at the biggest zone they have and so they would have had a much larger expenditure than what they have had in previous years and that was why they decided to cut that zone in half and only spend half of the funds. He stated that \$150,000 would definitely have helped them this year but the reality was they still would not have made it completely through that zone (upwards of \$900,000 to complete). He said that he appreciates the Vice Mayor's support.

Councilmember Hansen commented that the one thing they need to keep in mind during the discussion was what would have the best chance of being approved. She said that it was through participation -- the taxpayers were participating but the Town was participating as well and she thinks that might have a little edge over Option #1.

Councilmember Leger thanked Ms. Ghetti for preparing the various options and said that when they discussed this at a Work Study Session he was concerned about placing a tax burden on citizens, particularly a property tax, given the economic climate. He expressed the opinion that Option #2 takes the burden off of the taxpayers to a certain extent and Option #3 did it to an even larger extent. He noted that they use HURF monies for a lot of transportation needs and now they were looking at a debt whereby they would be depending on HURF funds and he had concerns if things continue to trend the way they were from a State Shared revenue perspective that they could find themselves in a bad position.

Councilmember Leger stated that he would like his peers to consider something else and stressed the importance of being sensitive to placing an increased burden on taxpayers during this current economic climate. He said that although he believes that the work needs to be done, he was just sensitive to the timing. He added that they also need to consider the fact that at their last Council meeting they talked about the possibility of the School District going out for an over-ride in November. He asked them to think about this ... here it was November, look at the economic climate, look at the fact that if the School District was successful, and they typically trump other bonds, and the fact that they had a Governor and a Legislature that was talking about the possibility of pushing a sales tax or other property tax initiative onto the ballot visualize that and on top of it all we were

asking for \$4.5 million. He expressed the opinion that the timing was bad and the probability of success, particularly the \$4.5 million, was unlikely. He reiterated that he believes the work needs to be done and that they need to do a secondary property tax at some point in time but he did not believe that this was the time.

Councilmember Dickey said that partnering with the School District with the Town's election costs as well as with their causes would be something that they could look at doing. She added that she did not view what they were doing as competition for them and would prefer to look at it as local control and an electorate that sees a need and if they did not then they would find that out. She stated that \$31 dollars a year (however close that figure is) on a \$350,000 home was something that they could consider going ahead with, She said that at this time she was comfortable with either Option #1 or Option #2.

Councilmember Contino asked if the issue could go on the ballot in May of 2010 and the Mayor advised that they were statutorily required to hold bond elections in November.

Councilmember Contino asked what kind of deterioration they were talking about if they waited until the following November. Mr. Ward replied that Mother Nature continues to be nice to us but weather could drastically affect the roadway. He added that it could lead into further structural road damage if they received larger sums of rainfalls but it was hard to say. Councilmember Contino noted that they had talked about doing one side of Saguaro one year and the other another year.

Councilmember Leger, speaking to Councilmember Dickey's point, clarified that he was not stating that the Town or the School District were in competition; he was talking about the psychology of the voters who go to the voting booth during the current economic climate. He reiterated that it was all a question of timing and he believed they needed to hold off and "hunker down." He noted that a year or two from now they would perhaps have the Ellman project in the pipeline and more sales tax dollars coming in. He added that they would be able to increase their Capital funds and maybe even take a look at Option #3, which reduces the tax burden even further. He agreed that the project needs to be done but said he was simply concerned about the timing.

Councilmember Dickey said that she appreciates what Councilmember Leger said about the psychology and that was what she meant -- that they were a community and the people see the needs. She stated that the roads were pretty visible to everyone so she didn't mean to imply that they were against the School District, she was thinking of Fountain Hills as a community and that the citizens might look at it as a joint effort. The School District issue would be a continuation and the Town's issue would address a need. She said that during the discussion about the property tax, some of the discussion had to do with it being continuous and there was some mistrust. They said if the Town simply asked for one specific thing they would have a better chance (those were some of the comments). She noted that this was pretty specific and it was very visible (taking charge of the community in a downturn) and she believes that \$31 a year probably would not be a hardship for that many people. She reiterated that she would consider Option #1.

Vice Mayor Archambault stated the opinion that they got elected because the citizens did not want them to "sugar coat" things and they wanted them to do their business for them. He added that it would be irresponsible for them to not go forward with a bond issue even if they felt it was going to get voted down because by taking their vote away from the people they were already making the decision for them. He said they did not want to give the Town the property tax and that was okay but they did not "sugar coat" anything when they went to them with the property tax. He reiterated that it was not fair to make the decision for the voters.

Councilmember Hansen commented that with a primary property tax they were saying "give us the money" but with this one they were saying "do you want to join with us and pave Saguaro?" She said that she agreed with Councilmember Dickey that it was definitely different. She pointed out that many citizens had expressed concerns regarding Saguaro Boulevard and it seemed like an opportunity to just say "do you want to go forward with it now and, if not, okay we would try it again later."

Mayor Schlum thanked Ms. Ghetti for her presentation and the members of the Council for their comments and input.

Councilmember Hansen asked Ms. Ghetti if she needed additional feedback on how the Council feels on the various options. Ms. Ghetti advised that staff could prepare three options or the Council could give more specific direction.

Councilmember Hansen stated that when they call the election they would have to have specific ballot language by July 21st (and since they only had one meeting in July that would have to be done at the July 2nd meeting). Mayor Schlum said that he did not hear a lot of support for Option #3 at this point and added that Option #2, utilizing HURF monies obligates it for the next 15 years where it had been obligated before so it was almost replacing what it had been doing. He noted that those funds were not assured either given the state of our State. He stated the opinion that Option #2 would probably be one they should consider more closely from what he had heard although several Councilmembers were not afraid of Option #1 either. He expressed the opinion that Option #2 might be more acceptable to the voters.

Councilmember Brown said that Option #1 might be more viable. Councilmember Hansen stated that it appears that staff should prepare Options #1 and #2.

AGENDA ITEM #15 - CONSIDERATION OF APPROVING THE CANCELLATION OF THE FOUNTAIN HILLS' TOWN COUNCIL REGULAR MEETING SCHEDULED FOR JULY 16, 2009.

Councilmember Hansen **MOVED** to approve the cancellation of the Fountain Hills' Town Council Regular Meeting scheduled for July 16, 2009 and Councilmember Contino **SECONDED** the motion.

Ms. Bender stated that there were no citizens wishing to speak on this agenda item.

The motion **CARRIED UNANIMOUSLY** (7-0) by those present.

Councilmember Hansen left the dais at 9:05 p.m. and returned at 9:06 p.m. relative to the discussion and action taken for the next item.

AGENDA ITEM #16 - DISCUSSION WITH POSSIBLE DIRECTION TO THE TOWN MANAGER, TOWN ATTORNEY AND LITIGATION COUNSEL REGARDING THE FIREROCK TAX LITIGATION.

Mayor Schlum asked if they had a motion to move in the direction that was previously discussed during the Executive Session.

Vice Mayor Archambault **MOVED** to direct outside counsel, the Town Attorney and the Town Manager to move forward as discussed in the Executive Session and Councilmember Leger **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (6-0).

Councilmember Hansen returned to the dais at 9:06 p.m.

AGENDA ITEM #17 – COUNCIL DISCUSSION/DIRECTION TO THE TOWN MANAGER. ITEMS LISTED BELOW ARE RELATED ONLY TO THE PROPRIETY OF (i) PLACING SUCH ITEMS ON A FUTURE AGENDA FOR ACTION OR (ii) OR DIRECTING STAFF TO CONDUCT FURTHER RESEARCH AND REPORT BACK TO THE COUNCIL:

A. None.

AGENDA ITEM #18 – SUMMARY OF COUNCIL REQUESTS AND REPORT ON RECENT ACTIVITIES BY THE TOWN MANAGER.

Ms. Ghetti stated that at the next Council meeting on July 2nd, staff would present two options for the Council to consider putting before the voters, Option #1 and Option #2, as previously listed and discussed.

AGENDA ITEM #19 – ADJOURNMENT

Councilmember Hansen **MOVED** that the Council adjourn the meeting and Councilmember Contino **SECONDED** the motion, which **CARRIED UNANIMOUSLY** (7-0). The meeting adjourned at 9:10 p.m.

TOWN OF FOUNTAIN HILLS

By _____
Mayor Jay T. Schlum

ATTEST AND
PREPARED BY:

Bevelyn J. Bender, Town Clerk

CERTIFICATION

I hereby certify that the foregoing minutes are a true and correct copy of the minutes of the Executive, Special and Regular Sessions held by the Town Council of Fountain Hills on the 18th day of June 2009. I further certify that the meeting was duly called and that a quorum was present.

DATED this 2nd day of July 2009.

Bevelyn J. Bender, Town Clerk